



AN ORDINANCE BY  
COUNCILMEMBER H. LAMAR WILLIS

**AN ORDINANCE TO AMEND SUBSECTIONS 122-65 AND 122-110 OF PART II, CHAPTER 122 OF THE ATLANTA CITY CODE OF ORDINANCES BY INCREASING THE HOLDING PERIOD ON ALL PAWNBROKER AND PRECIOUS METAL TRANSACTIONS TO THIRTY (30) DAYS; AND FOR OTHER PURPOSES.**

**WHEREAS**, the Atlanta City Code of Ordinances currently mandates a 10-day holding period for pawnbrokers and a 5-day holding period for precious metal dealers.

**WHEREAS**, it often takes those who are victims of theft longer than 10 days to file all of the necessary paperwork and obtain serial numbers for items which may have been taken to pawnbrokers or precious metal dealers.

**WHEREAS**, once items are sold from pawnbrokers or precious metal dealers, the Police Department is less likely to find the items and return them to their original owners.

**WHEREAS**, O.C.G.A. § 44-12-131 currently requires a 30-day holding period on all pawn transactions.

**WHEREAS**, O.C.G.A. §44-12-135 states that state law shall not supercede existing local laws pertaining to pawnbrokers.

**WHEREAS**, the Atlanta Police Pawn Desk has been unable to enforce the 30-day holding period allowed by state law as the Atlanta Code Section 122-65 only mandates a 10-day holding period for pawnbrokers and a 5-day holding period for precious metal dealers.

**WHEREAS**, both the Cobb County and the DeKalb County Police Departments have aligned their Codes with state law by requiring a 30-day holding period for pawnbrokers.

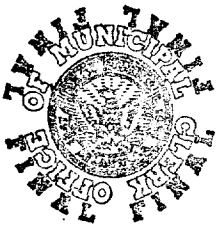
**WHEREAS**, there is a substantial governmental interest in closely regulating all secondhand dealers.

**NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA** as follows:

**SECTION 1**

That Section 122-65 which reads:

Any pawnbroker or person operating under a pawnbroker's license who takes goods on pawn or buys goods, taking full title thereto shall hold the goods so taken in pawn or purchased for at least ten days before disposing of them by sale,



transfer, shipment or otherwise. As used in this section, the term "goods" shall be used in the broadest sense and shall include all kinds of personal property.

shall be amended and read as follows:

Any pawnbroker or person operating under a pawnbroker's license who takes goods on pawn or buys goods, taking full title thereto shall hold the goods so taken in pawn or purchased for **thirty (30)** days before disposing of them by sale, transfer, shipment or otherwise. As used in this section, the term "goods" shall be used in the broadest sense and shall include all kinds of personal property.

## **SECTION 2**

That Section 122-110, which reads:

For a period of five days, excluding Sundays and legal holidays, after the purchase or receipt of any precious metals or goods containing precious metals, every precious metals dealer shall retain upon the licensed premises or in a sealed vault off the premises, provided such a precaution is necessary for safekeeping, all such precious metals or goods containing precious metals purchased or received and shall not alter the original form, shape or condition of such metals or goods until that time shall have elapsed.

shall be amended and read as follows:

For a period of **thirty (30)** days, excluding Sundays and legal holidays, after the purchase or receipt of any precious metals or goods containing precious metals, every precious metals dealer shall retain upon the licensed premises or in a sealed vault off the premises, provided such a precaution is necessary for safekeeping, all such precious metals or goods containing precious metals purchased or received and shall not alter the original form, shape or condition of such metals or goods until that time shall have elapsed.

## **SECTION 3**

All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed.

## **SECTION 4**

This ordinance shall go into effect immediately upon Mayor's signature.

A true copy,  
*Rhonda Daughin Johnson*  
Municipal Clerk, CMC

ADOPTED by the Council  
APPROVED by the Mayor

JUL 19, 2004  
JUL 22, 2004



**Regulation of Pawnbrokers,  
Precious Metal Dealers,  
and Secondary Metal Recyclers**

*White Paper*  
*Office of Councilmember H. Lamar Willis*  
June 28, 2004

Background

Secondhand dealers have been historically used across the country as avenues for thieves to pawn off stolen goods. As a result, both state and local governments heavily regulate pawnbrokers, precious metal dealers, and secondary metal recyclers in order to prevent secondhand dealers from being used as accomplices in crime and to eliminate the money incentive for people to steal and then pawn.

Such regulations made by the state and local governments typically require the secondhand dealers' to cooperate with their police departments' investigations. This includes mandatory holding periods during which none of the secondhand goods can be shipped or sold, record-keeping with descriptions of the people who have pawned or sold items to the secondhand dealer, and reports to the police department about the number and type of goods that have been taken in during each 24-hour period. The effectiveness of the regulations promulgated by both the Atlanta City Council and Georgia legislature is stifled, however, because they are inconsistent.

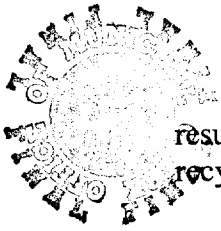
The Atlanta Police Department has expressed concerns because Atlanta law governing the holding period for pawnbrokers and precious metal dealers is less strict than state law, and since state law shall not supercede local pawn-broking law, the APD enforces what is written in the Code.<sup>1</sup> Where Georgia law allows a 30-day period for pawnbrokers, the Code only mandates a 10-day holding period on purchased goods for pawnbrokers and a 5-day holding period for precious metal dealers.<sup>2</sup> As a result, enforcement of the Atlanta ordinance makes monitoring for stolen goods at pawnbrokers and precious metal dealers less effective than it would be if the local laws were aligned with state law, particularly since it takes victims of theft longer than ten days to account for a stolen good and its necessary information (i.e. serial numbers).

Additionally, though secondary metal recyclers have the same likelihood of transacting stolen goods as pawnbrokers and precious metals dealers do, secondary metal recyclers are less regulated. For instance, there is currently not a holding period for secondary metal recyclers. And though Section 122-31 requires all secondhand dealers to submit daily reports, the Code does not specify in the later relevant sections whether secondary metal recyclers are required to submit daily reports. Needless to say, secondary metal recyclers are not submitting daily reports to the police department. As

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<sup>1</sup> O.C.G.A. §44-12-135

<sup>2</sup> O.C.G.A. §44-12-131; Atlanta City Code of Ordinances, §§ 122-65, 122-10



result of the lack of regulations and the extremely fast turnover at secondary metal recyclers, police are unable to track these transactions at all.

### Proposals

In an effort to make state and local regulations consistent, and in order to tighten existing regulations, the following are four proposals:

1. An ordinance to amend subsections 122-65 and 122-10 of Part II, Chapter 122 of the Atlanta City Code of Ordinances by increasing the holding period on all pawnbroker and precious metal transactions to thirty (30) days.
2. An ordinance to amend Part II, Chapter 122, Article V of the Atlanta City Code of Ordinances by adding section 122-58 requiring secondary metal recyclers to make daily reports to the police department of all secondary metals purchased during the 24 hours of the date of the report.
3. An ordinance to amend Part II, Chapter 122, Article V of the Atlanta City Code of Ordinances by adding section 122-159 requiring a 24-hour holding period for secondary metal recyclers.

### Arguments

**A thirty-day holding period is a reasonable requirement for pawnbrokers and precious metal dealers.** As noted previously, the current holding periods of five and ten days are insufficient. The police department may not receive a report of a stolen good until several days after the five or ten day holding period has expired. If the product is sold by then, the police department will be unable to return the stolen item to its original owner. The state has already recognized this; therefore, Georgia law suggests a 30-day period on all pawn transactions. Cobb County has also included a 30-day holding period into its code.<sup>3</sup>

**As secondary metal recyclers have the same propensity as pawnbrokers and precious metal dealers to receive stolen goods, Atlanta has a substantial interest in more closely regulating them.** Requiring secondary metal recyclers to hold items for 24 hours and make daily reports to the police departments admittedly imposes additional burdens on secondary metal recyclers; however, presumably the benefits of enabling police to monitor secondary metal recyclers outweigh such burdens.

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<sup>3</sup> Cobb County Code, §78-187

RCS# 5906  
7/19/04  
2:07 PM

Atlanta City Council

Regular Session

CONSENT I                      CONSENT I PG(S) 1-9, EXCEPT: 04-R-1241

ADOPT

YEAS: 14  
NAYS: 0  
ABSTENTIONS: 0  
NOT VOTING: 0  
EXCUSED: 0  
ABSENT 1

Y Smith	Y Winslow	Y Shook	Y Martin	Y Mitchell
Y Starnes	Y Archibong	Y Muller	Y Maddox	Y Norwood
Y Young	Y Fauver	Y Moore	B Mosley	Y Willis

CONSENT I

7-19-04 Council Meeting	
ITEMS ADOPTED ON CONSENT	ITEMS ADVERSED ON CONSENT
1. 04-O-1154 2. 04-O-1156 3. 04-O-0765 4. 04-O-1249 5. 04-O-1263 6. 04-O-1034 7. 04-O-1265 8. 04-O-1266 9. 04-O-1264 10. 04-O-1151 11. 04-O-1262 12. 04-O-1157 13. 04-O-1269 14. 04-R-1044 15. 04-R-1049 16. 04-R-1219 17. 04-R-1290 18. 04-R-1210 19. 04-R-1289 20. 04-R-1215 21. 04-R-1216 22. 04-R-1217 23. 04-R-1218 24. 04-R-1232 25. 04-R-1233 26. 04-R-1234 27. 04-R-1235 28. 04-R-1236 29. 04-R-1237 30. 04-R-1238 31. 04-R-1239 32. 04-R-1240	33. 04-R-1222 34. 04-R-1223 35. 04-R-1224 36. 04-R-1225 37. 04-R-1226 38. 04-R-1227 39. 04-R-1228 40. 04-R-1229 41. 04-R-1230 42. 04-R-1231

#24

04-0-1269  
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AN ORDINANCE BY H. JAMAR WILLIS  
AN ORDINANCE TO AMEND SUBSECTIONS  
122-65 AND 122-110 OF PART II, CHAPTER  
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ORDINANCES BY INCREASING THE  
HOLDING PERIOD ON ALL PAWBROKER  
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PURPOSES.

ADOPTED BY  
JUL 19 2004  
COUNCIL

- ☐ CONSENT REFER
- ☐ REGULAR REPORT REFER
- ☐ ADVERTISE & REFER
- ☐ 1st ADOPT 2nd READ & REFER
- ☒ PERSONAL PAPER REFER

Date Referred 7/6/04  
Referred To: Public Safety  
Date Referred  
Referred To:  
Date Referred  
Referred To:

First Reading  
Committee  
Date  
Chair  
Referred To

PSA Committee  
Date 7/15/04  
Chair  
Action  
Fav, Adv, Hold (see rev. side)  
Other

Members  
H. J. Willis  
C. J. Martin  
M. Smith  
C. Williams  
Refer To

Committee  
Date  
Chair  
Action  
Fav, Adv, Hold (see rev. side)  
Other  
Members  
Refer To

FINAL COUNCIL ACTION  
☒ 2nd ☐ 1st & 2nd ☐ 3rd  
Readings  
☒ Consent ☐ V Vote ☒ RC Vote

CERTIFIED  
JUL 19 2004  
COUNCIL PRESIDENT PROTEM

CERTIFIED  
JUL 19 2004  
Renee Buckner  
MUNICIPAL CLERK

APPROVED  
JUL 22 2004  
MAYOR